

Senate File 544 - Reprinted

SENATE FILE _____
BY COMMITTEE ON NATURAL
RESOURCES AND ENVIRONMENT

(SUCCESSOR TO SSB 1244)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the development, management, and efficient use
2 of energy resources in the state and including effective and
3 retroactive applicability date provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 1410SV 82
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1 1 Section 1. Section 12.28, subsection 6, Code 2007, is
1 2 amended to read as follows:
1 3 6. The maximum principal amount of financing agreements
1 4 which the treasurer of state can enter into shall be one
1 5 million dollars per state agency in a fiscal year, subject to
1 6 the requirements of section 8.46. For the fiscal year, the
1 7 treasurer of state shall not enter into more than one million
1 8 dollars of financing agreements per state agency, not
1 9 considering interest expense. However, the treasurer of state
1 10 may enter into financing agreements in excess of the one
1 11 million dollar per agency per fiscal year limit if a
1 12 constitutional majority of each house of the general assembly,
1 13 or the legislative council if the general assembly is not in
1 14 session, and the governor, authorize the treasurer of state to
1 15 enter into additional financing agreements above the one
1 16 million dollar authorization contained in this section. The
1 17 treasurer of state shall not enter into a financing agreement
1 18 for real or personal property which is to be constructed for
1 19 use as a prison or prison-related facility without prior
1 20 authorization by a constitutional majority of each house of
1 21 the general assembly and approval by the governor of the use,
1 22 location, and maximum cost, not including interest expense, of
1 23 the real or personal property to be financed. However,
1 24 financing agreements for an energy conservation measure, as
1 25 defined in section 7D.34, or for an energy management
1 26 improvement, as defined in section 473.19, or for costs

1 27 associated with projects under section 473.13A, are exempt
1 28 from the provisions of this subsection, but are subject to the
1 29 requirements of section 7D.34 or 473.20A. In addition,
1 30 financing agreements funded through the materials and
1 31 equipment revolving fund established in section 307.47 are
1 32 exempt from the provisions of this subsection.

1 33 Sec. 2. Section 455E.11, subsection 2, paragraph e, Code
1 34 2007, is amended to read as follows:

1 35 e. An oil overcharge account. The oil overcharge moneys
2 1 distributed by the United States department of energy, and
2 2 approved for the energy related components of the groundwater
2 3 protection strategy available through the energy conservation
2 4 trust fund created in section 473.11, shall be deposited in
2 5 the oil overcharge account as appropriated by the general
2 6 assembly.

2 7 Sec. 3. Section 473.1, Code 2007, is amended by adding the
2 8 following new subsections:

2 9 NEW SUBSECTION. 4A. "Renewable energy" means solar power,
2 10 photovoltaic power, wind power, geothermal power, hydropower,
2 11 landfill gas, refuse-derived fuel pellets, biomass fuel, fuel
2 12 cell powered by a renewable energy resource, or conversion of
2 13 municipal, industrial, or agricultural organic wastes.

2 14 NEW SUBSECTION. 4B. "Renewable fuel" means an energy
2 15 source at least in part derived from a nonfossil-based organic
2 16 compound capable of powering machinery, including an engine or

2 17 power plant.

2 18 Sec. 4. Section 473.1, subsection 5, Code 2007, is amended
2 19 to read as follows:

2 20 5. "Supplier" means any person engaged in the business of
2 21 selling, importing, storing, or generating energy sources,
2 22 renewable energy, or renewable fuel in Iowa.

2 23 Sec. 5. Section 473.2, subsection 1, paragraph a, Code
2 24 2007, is amended to read as follows:

2 25 a. Physical, human, natural, and financial resources are
2 26 allocated efficiently.

2 27 Sec. 6. Section 473.3, Code 2007, is amended to read as
2 28 follows:

2 29 473.3 ENERGY EFFICIENCY RESOURCE MANAGEMENT GOAL.

2 30 1. The goal of this state is to ~~more~~ efficiently utilize
2 31 energy resources, ~~especially those that are nonrenewable or~~
2 32 ~~that have negative environmental impacts, in order to enhance~~
2 33 the economy of the state ~~and to decrease by decreasing the~~
2 34 state's dependence on nonrenewable energy resources from
2 35 outside the state and by reducing the amount of energy used.

3 1 This goal is to be implemented through the execution of a
3 2 statewide energy plan that shall include the development of
3 3 policies and programs that promote energy efficiency and
3 4 energy conservation renewable energy use by all Iowans,
3 5 through the development and enhancement of an energy
3 6 efficiency and renewable energy industry, through the
3 7 ~~development of indigenous~~ commercialization of energy
3 8 resources and technologies that are economically and
3 9 environmentally viable, and through the development and
3 10 implementation of effective public information and education
3 11 programs.

3 12 2. State government shall be a model and testing ground
3 13 for the use of energy efficiency and renewable energy systems.

3 14 Sec. 7. Section 473.7, subsections 4, 5, 11, 12, and 14,
3 15 Code 2007, are amended to read as follows:

3 16 4. a. ~~Establish a central depository within the state for~~
3 17 ~~energy data. The central depository shall be located at or~~
3 18 ~~accessible through a library which is a member of an~~
3 19 ~~interlibrary loan program to facilitate access to the data and~~
3 20 ~~information contained in the central depository. The~~
3 21 ~~department shall collect and analyze data necessary to~~
3 22 ~~forecast to use in forecasting future energy demands in demand~~
3 23 ~~and supply for the state. The department may require a A~~

3 24 ~~supplier is required to provide information pertaining to the~~
3 25 ~~supply, storage, distribution, and sale of energy sources in~~
3 26 ~~this state when requested by the department. The information~~
3 27 ~~shall be furnished on a periodic basis, shall be of a nature~~
3 28 ~~which directly relates to the supply, storage, distribution,~~
3 29 ~~and sale of energy sources, and shall not include any records,~~
3 30 ~~documents, books, or other data which relate to the financial~~
3 31 ~~position of the supplier. Provided the The department, prior~~
3 32 ~~to requiring any supplier to furnish it with such information,~~
3 33 ~~shall make every reasonable effort to determine if the same~~
3 34 ~~such information~~ is available from any other governmental
3 35 source. If it finds such information is available, the

4 1 department shall not require submission of the ~~same~~
4 2 information from a supplier. Notwithstanding the provisions
4 3 of chapter 22, information and reports obtained under this
4 4 section shall be confidential except when used for statistical
4 5 purposes without identifying a specific supplier and when
4 6 release of the information will not give an advantage to
4 7 competitors and serves a public purpose. The department shall
4 8 use this data to conduct energy forecasts which shall be
4 9 included in the biennial update required by this section and
4 10 which shall also be made available through the department's

4 11 internet website.

4 12 b. The department may subpoena witnesses, administer
4 13 oaths, and require the production of records, books, and
4 14 documents for examination in order to obtain information
4 15 required to be submitted under this section. In case of
4 16 failure or refusal on the part of any person to comply with a
4 17 subpoena issued by the department, or in case of the refusal
4 18 of any witness to testify as to any matter regarding which the
4 19 witness may be interrogated under this chapter, the district
4 20 court, upon the application of the department, may order the
4 21 person to show cause why the person should not be held in
4 22 contempt for failure to testify or comply with a subpoena, and
4 23 may order the person to produce the records, books, and
4 24 documents for examination, and to give testimony. The courts
4 25 may punish for contempt as in the case of disobedience to a
4 26 like subpoena issued by the court, or for refusal to testify.

4 27 5. Develop, recommend, and implement with appropriate

4 28 agencies public and professional education and communication
4 29 programs in energy efficiency, energy conservation, and
4 30 conversion to ~~alternative sources of energy~~ renewable energy.
4 31 11. Develop a program to annually give public recognition
4 32 to innovative methods of energy ~~conservation management and~~
4 33 ~~renewable energy production~~.
4 34 12. Administer and coordinate federal funds for energy
4 35 ~~conservation management and renewable energy~~ programs
5 1 including, but not limited to, the institutional conservation
5 2 program, state energy conservation program, and energy
5 3 extension service program, and related programs which provide
5 4 energy management and conservation assistance to schools,
5 5 hospitals, health care facilities, communities, and the
5 6 general public.
5 7 14. ~~Perform~~ Provide information from monthly fuel surveys
5 8 which establish a statistical average of motor fuel prices for
5 9 various motor fuels provided throughout the state.
5 10 Additionally, the department shall ~~perform~~ provide monthly
5 11 fuel ~~surveys~~ survey information in cities with populations of
5 12 over fifty thousand which establish a statistical average of
5 13 motor fuel prices for various motor fuels provided in those
5 14 individual cities. The survey results shall be publicized in
5 15 a monthly press release issued by the department.
5 16 Sec. 8. Section 473.7, subsections 2, 3, and 15, Code
5 17 2007, are amended by striking the subsections.
5 18 Sec. 9. Section 473.11, Code 2007, is amended to read as
5 19 follows:
5 20 473.11 ENERGY CONSERVATION ~~TRUST FUND~~ ESTABLISHED ==
5 21 RECEIPTS AND DISBURSEMENTS.
5 22 1. ~~a.~~ The energy conservation ~~trust fund~~ is created
5 23 within the state treasury under the control of the department.
5 24 This state, on behalf of itself, its citizens, and its
5 25 political subdivisions, accepts any moneys awarded or
5 26 allocated to the state, its citizens, and its political
5 27 subdivisions as a result of the federal court decisions and
5 28 United States department of energy settlements resulting from
5 29 alleged violations of federal petroleum pricing regulations
5 30 and deposits the moneys in the energy conservation ~~trust fund~~.
5 31 The fund shall also consist of any moneys appropriated by the
5 32 general assembly and any other moneys, including grants and
5 33 gifts from government and nonprofit organizations, available
5 34 to and obtained or accepted by the department for placement in
5 35 the fund. Moneys in the fund are not subject to section 8.33.
6 1 Notwithstanding section 12C.7, interest or earnings on moneys
6 2 in the fund shall be credited to the energy conservation fund.
6 3 b. The energy conservation trust is established to provide
6 4 for an orderly, efficient, and effective mechanism to make
6 5 maximum use of moneys available to the state, in order to
6 6 increase energy conservation efforts and thereby to save the
6 7 citizens of this state energy expenditures. The moneys in the
6 8 funds in the trust shall be expended only upon appropriation
6 9 by the general assembly and only for programs which will
6 10 benefit citizens who may have suffered economic penalties
6 11 resulting from the alleged petroleum overcharges.
6 12 c. The moneys awarded or allocated from each court
6 13 decision or settlement shall be placed in a separate fund in
6 14 the energy conservation trust. Notwithstanding section 12C.7,
6 15 interest and earnings on investments from moneys in the trust
6 16 shall be credited proportionately to the funds in the trust.
6 17 d. Unless prohibited by the conditions applying to a
6 18 settlement, the petroleum overcharge moneys in the energy
6 19 conservation trust may be used for the payment of attorney
6 20 fees and expenses incurred by the state to obtain the moneys
6 21 and shall be paid by the director of the department of
6 22 administrative services from the available moneys in the trust
6 23 subject to the approval of the attorney general.
6 24 e. However, petroleum overcharge moneys received pursuant
6 25 to claims filed on behalf of the state, its institutions,
6 26 departments, agencies, or political subdivisions shall be
6 27 deposited in the general fund of the state to be disbursed
6 28 directly to the appropriate claimants in accordance with
6 29 federal guidelines and subject to the approval of the attorney
6 30 general.
6 31 f. The moneys deposited under section 473.16 in the
6 32 general fund of the state shall be used for research and
6 33 development of selected projects to improve Iowa's energy
6 34 independence by developing improved methods of energy
6 35 efficiency, or by increased development and use of Iowa's
7 1 renewable nonresource-depleting energy resources. The moneys
7 2 credited to the general fund of the state under section
7 3 556.18, subsection 3, shall be used for energy conservation

~~7 4 and alternative energy resource projects. The projects shall~~
~~7 5 be selected by the director and administered by the~~
~~7 6 department. Selection criteria for funded projects shall~~
~~7 7 include consideration of indirect restitution to those persons~~
~~7 8 in the state in the utility customer classes and the utility~~
~~7 9 service territories affected by unclaimed utility refunds or~~
~~7 10 deposits.~~

~~7 11 Moneys deposited into the general fund of the state under~~
~~7 12 sections 473.16, 476.51, and 556.18, subsection 3, are subject~~
~~7 13 to the requirements of section 8.60.~~

~~7 14 2. The treasurer of state shall be the custodian of the~~
~~7 15 energy conservation trust and shall invest the moneys in the~~
~~7 16 trust, in consultation with the energy fund disbursement~~
~~7 17 council established in subsection 3 and the investment board~~
~~7 18 of the Iowa public employees' retirement system, in accordance~~
~~7 19 with the following guidelines:~~

~~7 20 a. To maximize the rate of return on moneys in the trust~~
~~7 21 while providing sufficient liquidity to make fund~~
~~7 22 disbursements, including contingency disbursements.~~

~~7 23 b. To absolutely insure the trust against loss.~~

~~7 24 c. To use such investment tools as are necessary to~~
~~7 25 achieve these purposes.~~

~~7 26 3. An energy fund disbursement council is established.~~

~~7 27 The council shall be composed of the governor or the~~
~~7 28 governor's designee, the director of the department of~~
~~7 29 management, who shall serve as the council's chairperson, the~~
~~7 30 administrator of the division of community action agencies of~~
~~7 31 the department of human rights, a designee of the director of~~
~~7 32 the department of natural resources who is knowledgeable in~~
~~7 33 the field of energy conservation, and a designee of the~~
~~7 34 director of transportation who is knowledgeable in the field~~
~~7 35 of energy conservation. The council shall include as~~

~~8 1 nonvoting members two members of the senate appointed by the~~
~~8 2 president of the senate, after consultation with the majority~~
~~8 3 leader and the minority leader of the senate, and two members~~
~~8 4 of the house of representatives appointed by the speaker of~~
~~8 5 the house, after consultation with the majority leader and the~~
~~8 6 minority leader of the house. The legislative members shall~~
~~8 7 be appointed upon the convening and for the period of each~~
~~8 8 general assembly. Not more than one member from each house~~
~~8 9 shall be of the same political party. The council shall be~~
~~8 10 staffed by the department of natural resources. The attorney~~
~~8 11 general shall provide legal assistance to the council.~~

~~8 12 The council shall do all of the following:~~

~~8 13 a. Oversee the investment of moneys deposited in the~~
~~8 14 energy conservation trust.~~

~~8 15 b. Make recommendations to the governor and the general~~
~~8 16 assembly regarding annual appropriations from the energy~~
~~8 17 conservation trust.~~

~~8 18 c. Work with the department of natural resources in~~
~~8 19 adopting administrative rules necessary to administer~~
~~8 20 expenditures from the trust, encourage applications for grants~~
~~8 21 and loans, review and select proposals for the funding of~~
~~8 22 competitive grants and loans from the energy conservation~~
~~8 23 trust, and evaluate their comparative effectiveness.~~

~~8 24 d. Monitor expenditures from the trust.~~

~~8 25 e. Approve any grants or contracts awarded from the energy~~
~~8 26 conservation trust in excess of five thousand dollars.~~

~~8 27 f. Prepare, in conjunction with the department of natural~~
~~8 28 resources, an annual report to the governor and the general~~
~~8 29 assembly regarding earnings of and expenditures from the~~
~~8 30 energy conservation trust.~~

~~8 31 4. The director of the department of natural resources or~~
~~8 32 the director's designee shall be the administrator of the~~
~~8 33 energy conservation trust. The administrator shall disburse~~
~~8 34 moneys appropriated by the general assembly from the funds in~~
~~8 35 the trust in accordance with the federal court orders, law and~~
~~9 1 regulation, or settlement conditions applying to the moneys in~~
~~9 2 that fund, and subject to the approval of the energy fund~~
~~9 3 disbursement council if such approval is required. The~~
~~9 4 council, after consultation with the attorney general, shall~~
~~9 5 immediately approve the disbursement of moneys from the funds~~
~~9 6 in the trust for projects which meet the federal court orders,~~
~~9 7 law and regulations, or settlement conditions which apply to~~
~~9 8 that fund.~~

~~9 9 5. The following funds are established in the energy~~
~~9 10 conservation trust:~~

~~9 11 a. The Warner/Imperial fund.~~

~~9 12 b. The Exxon fund.~~

~~9 13 c. The Stripper Well fund.~~

~~9 14 d. The Diamond Shamrock fund.~~

9 15 e. ~~The office of hearings and appeals second-stage~~
9 16 ~~settlement fund.~~
9 17 6. ~~The moneys in the fund in the energy conservation trust~~
9 18 ~~distributed to the state as a result of the federal court~~
9 19 ~~decisions finding oil companies in violation of federal~~
9 20 ~~petroleum pricing regulations shall be expended expeditiously,~~
9 21 ~~until all the receipts are depleted and shall be disbursed for~~
9 22 ~~projects which meet the strict guidelines of the five existing~~
9 23 ~~federal energy conservation programs specified in Pub. L. No.~~
9 24 ~~97-377, 115 Stat. 1830, 1919 (1982). The council shall~~
9 25 ~~approve the disbursement of moneys from the fund in the trust~~
9 26 ~~for other projects only if the projects meet one or more of~~
9 27 ~~the following conditions:~~
9 28 a. ~~The projects meet the guidelines for allowable projects~~
9 29 ~~under a modification order entered by the federal court in the~~
9 30 ~~case involving Exxon corporation.~~
9 31 b. ~~The projects meet the guidelines for allowable projects~~
9 32 ~~under a directive order entered by the federal court in the~~
9 33 ~~case involving Exxon corporation.~~
9 34 c. ~~The projects meet the guidelines for allowable projects~~
9 35 ~~under the regulations adopted or written clarifications issued~~
10 1 ~~by the United States department of energy.~~
10 2 d. ~~The projects meet the guidelines for allowable projects~~
10 3 ~~under the petroleum violation settlement agreement expenditure~~
10 4 ~~plan approved by the United States department of energy.~~
10 5 7. ~~On June 30, 2003, the energy fund disbursement council~~
10 6 ~~established in subsection 3 shall be dissolved. At that time,~~
10 7 ~~the~~ The department of natural resources shall be responsible
10 8 for the disbursement of any funds either received or remaining
10 9 in the energy conservation trust fund. These disbursements
10 10 shall be for projects and programs consistent with the legally
10 11 determined allowable uses for the former energy conservation
10 12 trust, section 473.11, Code 2005. Also, at that time, and
10 13 annually thereafter, the ~~The~~ state department of
10 14 transportation shall report to the department of natural
10 15 resources on the status of the intermodal revolving loan fund
10 16 established in the department on an annual basis. In the
10 17 fiscal year beginning July 1, 2019, the department of natural
10 18 resources shall assume responsibility for funds remaining in
10 19 the intermodal revolving loan fund and disburse them for
10 20 energy conservation projects and programs consistent with the
10 21 legally determined allowable uses for the former energy
10 22 conservation trust.
10 23 Sec. 10. Section 473.13A, Code 2007, is amended to read as
10 24 follows:
10 25 473.13A ENERGY CONSERVATION MEASURES MANAGEMENT AND
10 26 RENEWABLE ENERGY OPPORTUNITIES IDENTIFIED AND IMPLEMENTED.
10 27 1. ~~The state.~~ All state agencies, political subdivisions
10 28 of the state, school districts, area education agencies, and
10 29 community colleges shall identify and implement, through
10 30 energy audits and engineering analyses, all energy
10 31 conservation measures identified management improvements for
10 32 which financing is made available by through the department to
10 33 the entity. Identification of energy management improvements
10 34 shall be made through energy analyses as approved by the
10 35 department. The energy conservation measure financings
11 1 management improvement financing shall be supported through
11 2 payments from energy savings and shall be for a term defined
11 3 by the department in rule.
11 4 2. Except for a garage, storage facility or brine
11 5 production facility, a building owned by a state agency shall
11 6 be analyzed by the state agency for energy management
11 7 improvement opportunities based on the guidelines established
11 8 pursuant to section 473.19. The results of the analysis shall
11 9 be submitted to the department by August 1, 2009. An updated
11 10 analysis shall be submitted to the department every five years
11 11 thereafter if appropriations, allocations, or grants are
11 12 provided for the cost of the analysis. Based on the findings
11 13 of the energy analysis and the updates, the state agency
11 14 shall, with assistance from the department, develop an energy
11 15 management plan. The energy management plan shall identify
11 16 the energy management improvements to be implemented by the
11 17 state agency, establish a timeline for their implementation,
11 18 and identify a funding source. The department shall submit a
11 19 report to the governor and the general assembly by January 1,
11 20 2010, and every five years thereafter, that analyzes all
11 21 information collected pursuant to this subsection and includes
11 22 recommendations for future programs.
11 23 3. Any new construction or renovation of existing
11 24 facilities intended for use by the state shall meet green or
11 25 sustainable building requirements established in rules adopted

11 26 pursuant to chapter 17A by the department after consultation
11 27 with the state building code commissioner established in
11 28 section 103A.4. The rules shall meet or exceed the energy
11 29 conservation requirements established in the state building
11 30 code pursuant to section 103A.10. Any rules of the fire
11 31 marshal established pursuant to section 100.1, 100.35, 101.1,
11 32 or 101A.5, the state building code established pursuant to
11 33 chapter 103A, the state plumbing code established pursuant to
11 34 section 135.11, subsection 5, requirements for elevators
11 35 established pursuant to chapter 89A, requirements for boilers
12 1 and pressure vessels established pursuant to chapter 89, or
12 2 occupational safety and health requirements established
12 3 pursuant to chapter 88, shall supersede any conflicting
12 4 provision of the rules established pursuant to this
12 5 subsection. The department shall adopt rules that take effect
12 6 on July 1, 2008. The rules shall not apply to a garage,
12 7 storage facility, correctional facility, other secure
12 8 facility, or brine production facility.
12 9 4. Pending the adoption of rules pursuant to subsection 3,
12 10 it is the intent of the general assembly that all new
12 11 construction or renovation of existing facilities for state
12 12 agency use should strive to meet or exceed the energy
12 13 standards of the United States green building council
12 14 leadership in energy and environmental design silver
12 15 certification.
12 16 5. For purposes of this section, "renovation" means any
12 17 change to a facility with costs equal to more than fifty
12 18 percent of the value of the facility or an addition to the
12 19 facility in excess of twenty thousand square feet.
12 20 6. The department shall not require a state agency,
12 21 political subdivision of the state, school district, community
12 22 college, or area education agency, city, or county to perform
12 23 an engineering energy analysis if the state agency, political
12 24 subdivision of the state, school district, community college,
12 25 or area education agency, city, or county demonstrates to the
12 26 department that the facility which is the subject of the
12 27 proposed engineering energy analysis at issue is not currently
12 28 in use or is unlikely to be in use or operation in ~~six~~ four
12 29 years by the governmental entity currently using or occupying
12 30 the facility.
12 31 7. If a state agency leases or otherwise occupies a
12 32 building, other than a garage, storage facility, correctional
12 33 facility, other secure facility, or brine production facility,
12 34 the agency shall prepare a plan not later than August 1, 2009,
12 35 designed to reduce energy use and utility costs at the
13 1 building.
13 2 Sec. 11. Section 473.15, Code 2007, is amended to read as
13 3 follows:
13 4 473.15 ANNUAL REPORT.
13 5 The department shall ~~include in the complete an~~ annual
13 6 report ~~required under section 455A.4 an assessment of to~~
13 7 ~~assess the progress achieved by public agencies of state~~
13 8 ~~agencies, political subdivisions of the state, school~~
13 9 ~~districts, area education agencies, and community colleges in~~
13 10 ~~implementing energy management improvements, renewable energy~~
13 11 ~~systems, and life cycle cost analyses under chapter 470, and~~
13 12 ~~on the use of renewable fuels. The department shall work with~~
13 13 ~~stakeholders to use available information to minimize the cost~~
13 14 ~~of preparing the report for the department and stakeholders.~~
13 15 The department shall also provide an assessment of the
13 16 economic and environmental impact of the progress made by
13 17 state agencies, political subdivisions of the state, school
13 18 districts, area education agencies, and community colleges
13 19 related to energy management and renewable energy, along with
13 20 recommendations on technological opportunities and policies
13 21 necessary for continued improvement in these areas.
13 22 Sec. 12. Section 473.19, Code 2007, is amended to read as
13 23 follows:
13 24 473.19 ENERGY BANK PROGRAM.
13 25 1. The energy bank program is established by the
13 26 department. The energy bank program consists of the following
13 27 forms of assistance for the state, state agencies, political
13 28 subdivisions of the state, school districts, area education
13 29 agencies, community colleges, and nonprofit organizations:
13 30 ~~1-~~ a. Promoting program availability.
13 31 b. Developing or identifying guidelines and model energy
13 32 techniques for the completion of energy analyses for state
13 33 agencies, political subdivisions of the state, school
13 34 districts, area education agencies, community colleges, and
13 35 nonprofit organizations.
14 1 c. Providing moneys from the petroleum overcharge fund

14 2 technical assistance for conducting energy audits analyses for
14 3 school districts under section 279.44, for conducting
~~14 4 comprehensive engineering analyses for school districts and~~
~~14 5 for conducting energy audits and comprehensive engineering~~
~~14 6 analyses for state agencies, and political subdivisions of the~~
14 7 state agencies, political subdivisions of the state, school
14 8 districts, area education agencies, community colleges, and
14 9 nonprofit organizations.

14 10 2. d. Providing Facilitating loans, leases, and other
14 11 methods of alternative financing from under the energy loan
14 12 fund established in section 473.20 and section 473.20A program
14 13 for the state, state agencies, political subdivisions of the
14 14 state, school districts, area education agencies, community
14 15 colleges, and nonprofit organizations to implement energy
14 16 conservation measures management improvements.

14 17 3. Serving as a source of technical support for energy
~~14 18 conservation management.~~

14 19 4. e. Providing assistance for obtaining insurance on the
14 20 energy savings expected to be realized from the implementation
14 21 of energy conservation measures management improvements.

14 22 5. f. Providing Facilitating self-liquidating financing
14 23 for the state, state agencies, political subdivisions of the
14 24 state, school districts, area education agencies, community
14 25 colleges, and nonprofit organizations pursuant to section
14 26 473.20A.

14 27 g. Assisting the treasurer of state with financing
14 28 agreements entered into by the treasurer of state on behalf of
14 29 state agencies to finance energy management improvements
14 30 pursuant to section 12.28.

14 31 2. For the purpose of this section, section 473.20, and
14 32 section 473.20A, "energy ~~conservation measure~~ management
14 33 improvement" means construction, rehabilitation, acquisition,
14 34 or modification of an installation in a facility or vehicle
14 35 which is intended to reduce energy consumption, or energy
15 1 costs, or both, or allow the use of ~~an alternative energy~~
~~15 2 source, which may contain integral renewable energy.~~ "Energy
15 3 management improvement" may include control and measurement
15 4 devices. "Nonprofit organization" means an organization
15 5 exempt from federal income taxation under section 501(c)(3) of
15 6 the Internal Revenue Code.

15 7 Sec. 13. Section 473.20, unnumbered paragraph 1, Code
15 8 2007, is amended to read as follows:

15 9 An energy loan ~~fund program~~ is established ~~in the office of~~
~~15 10 the treasurer of state to and shall~~ be administered by the
15 11 department.

15 12 Sec. 14. Section 473.20, subsections 1, 5, and 6, Code
15 13 2007, are amended to read as follows:

15 14 1. The department may ~~make loans to the state, state~~
~~15 15 agencies, facilitate the loan process for political~~
15 16 subdivisions of the state, school districts, area education
15 17 agencies, community colleges, and nonprofit organizations for
15 18 implementation of energy conservation measures management
15 19 improvements identified in a comprehensive engineering an
15 20 energy analysis. Loans shall be made facilitated for all
15 21 cost-effective energy management improvements. For the state,
~~15 22 state agencies, political subdivisions of the state, school~~
15 23 districts, area education agencies, community colleges, and
15 24 nonprofit organizations to receive a loan from the fund
15 25 assistance under the program, the department shall require
15 26 completion of an energy management plan including an energy
15 27 audit and a comprehensive engineering analysis. The
15 28 department shall approve loans made facilitated under this
15 29 section.

15 30 5. ~~The state, state agencies, political~~ Political
15 31 subdivisions of the state, school districts, area education
15 32 agencies, and community colleges shall design and construct
15 33 the most energy cost-effective facilities feasible and shall
~~15 34 use the financing made available may use financing facilitated~~
15 35 by the department to cover the incremental costs above minimum
16 1 building code energy efficiency standards of purchasing energy
16 2 efficient devices and materials unless other lower cost
16 3 financing is available. As used in this section, "facility"
16 4 means a structure that is heated or cooled by a mechanical or
16 5 electrical system, or any system of physical operation that
16 6 consumes energy to carry out a process.

16 7 6. The department shall not require the state, state
16 8 agencies, political subdivisions of the state, school
16 9 districts, area education agencies, and community colleges to
16 10 implement a specific energy conservation measure management
16 11 improvement identified in a comprehensive engineering an
16 12 energy analysis if the entity which prepared the analysis

16 13 demonstrates to the department that the facility which is the
16 14 subject of the energy ~~conservation measure management~~
16 15 ~~improvement~~ is unlikely to be used or operated for the full
16 16 period of the expected savings payback of all costs associated
16 17 with implementing the energy conservation measure management
16 18 improvement, including without limitation, any fees or charges
16 19 of the department, engineering firms, financial advisors,
16 20 attorneys, and other third parties, and all financing costs
16 21 including interest, if financed.

16 22 Sec. 15. Section 473.20, subsection 3, Code 2007, is
16 23 amended by striking the subsection.

16 24 Sec. 16. Section 473.20A, Code 2007, is amended to read as
16 25 follows:

16 26 473.20A SELF=LIQUIDATING FINANCING.

16 27 1. The department of natural resources may ~~enter into~~
16 28 facilitate financing agreements that may be entered into with
16 29 the state, state agencies, political subdivisions of the
16 30 state, school districts, area education agencies, community
16 31 colleges, or nonprofit organizations ~~in order to provide the~~
16 32 ~~financing to pay finance~~ the costs of ~~furnishing~~ energy
16 33 ~~conservation measures management improvements on a~~
16 34 ~~self=liquidating basis.~~ The provisions of section 473.20

16 35 ~~defining eligible energy conservation measures and the method~~
17 1 ~~of repayment of the loans management improvements~~ apply to
17 2 financings under this section.

17 3 The financing agreement may contain provisions, including
17 4 interest, term, and obligations to make payments on the
17 5 financing agreement beyond the current budget year, as may be
17 6 ~~agreed upon between the department of natural resources and~~
17 7 ~~the state, state agencies, acceptable to~~ political
17 8 subdivisions of the state, school districts, area education
17 9 agencies, community colleges, or nonprofit organizations.

17 10 2. ~~For the purpose of funding its obligation to furnish~~
17 11 ~~moneys under the financing agreements, or to fund the energy~~
17 12 ~~loan fund created in section 473.20, the treasurer of state,~~
17 13 ~~with the assistance of the department of natural resources, or~~
17 14 ~~the treasurer of state's duly authorized agents or~~
17 15 ~~representatives, may incur indebtedness or enter into master~~
17 16 ~~lease agreements or other financing arrangements to borrow to~~
17 17 ~~accomplish energy conservation measures, or the department of~~
17 18 ~~natural resources may enter into master lease agreements or~~
17 19 ~~other financing arrangements to permit the state, state~~
17 20 ~~agencies, political subdivisions of the state, school~~
17 21 ~~districts, area education agencies, community colleges, or~~
17 22 ~~nonprofit organizations to borrow sufficient funds to~~
17 23 ~~accomplish the energy conservation measure. The obligations~~
17 24 ~~may be in such form, for such term, bearing such interest and~~
17 25 ~~containing such provisions as the department of natural~~
17 26 ~~resources, with the assistance of the treasurer of state,~~
17 27 ~~deems necessary or appropriate. Funds remaining after the~~
17 28 ~~payment of all obligations have been redeemed shall be paid~~
17 29 ~~into the energy loan fund. The department shall assist the~~
17 30 treasurer of state with financing agreements entered into by
17 31 the treasurer of state on behalf of state agencies pursuant to
17 32 section 12.28 to finance energy management improvements being
17 33 implemented by state agencies.

17 34 3. ~~The state, state agencies, political~~ Political
17 35 subdivisions of the state, school districts, area education
18 1 agencies, community colleges, and nonprofit organizations may
18 2 enter into financing agreements and issue obligations
18 3 necessary to carry out the provisions of the chapter. Chapter
18 4 75 shall not be applicable.

18 5 Sec. 17. NEW SECTION. 476A.17 COAL=FIRED MERCHANT POWER
18 6 PLANTS.

18 7 1. For purposes of this section, "coal=fired merchant
18 8 power plant" means a power plant built after January 1, 2007,
18 9 that burns coal located in this state that is not owned or
18 10 operated by a public utility, municipally owned utility,
18 11 municipal power agency, or electric cooperative corporation or
18 12 association and which is not subject to rate regulation
18 13 pursuant to chapter 476.

18 14 2. As a condition of a permit issued by the board pursuant
18 15 to this chapter, the board shall order an owner or operator of
18 16 a coal=fired merchant power plant to do all of the following:

18 17 a. Generate, provide, or purchase renewable energy equal
18 18 to eight percent of the capacity of the coal=fired merchant
18 19 power plant.

18 20 b. Provide one=tenth of one percent of annual gross
18 21 revenues for the support of the Iowa energy center created in
18 22 section 266.39C and the center for global and regional
18 23 environmental research created by the state board of regents.

18 24 c. Provide two percent of annual gross revenues for an
18 25 energy management improvement grant program to be administered
18 26 by the center for energy and environmental education at the
18 27 University of Northern Iowa.
18 28 3. The board, after consultation with the department of
18 29 natural resources, may waive all or part of the requirements
18 30 of subsection 2 upon finding that the coal-fired merchant
18 31 power plant has achieved other methods to offset its
18 32 production of greenhouse gases and other pollutants.
18 33 4. The board shall adopt rules pursuant to chapter 17A
18 34 prescribing regulatory standards and implementation procedures
18 35 relating to the application of the requirements in subsection
19 1 2.
19 2 Sec. 18. Sections 473.13, 473.16, 473.17, 473.42, and
19 3 473.44, Code 2007, are repealed. SF 544 tm/cc/26